

**Policy Regarding Administration of California WaterFix Yield  
within Kern County  
October 11, 2017**

**1. Background & Issues**

On November 14, 2013 the Kern County Water Agency hosted a policy meeting to review and discuss potential options for the administration of additional State Water Project (“SWP”) yield resulting from participation in California WaterFix (“WaterFix Yield”). The majority of the Member Units and their respective policy representatives were in attendance.

A list of Goals and Objectives were identified and discussed prior to reviewing the various options with general agreement among the parties present that the Goals & Objectives were acceptable.

**2. Goals and Objectives**

- a. Encourage Member Units to acquire WaterFix Yield
- b. Mitigate risk and expense associated with commitment to incremental WaterFix Yield through market opportunities
- c. Maximize incremental WaterFix Yield for Kern County
- d. Preservation of the groundwater basin/no net increase in demand
- e. Simplify administration and billing to the greatest extent practicable
- f. Recognition/Resolution of Zone of Benefit issue

**3. WaterFix Participation**

The Kern County Water Agency shall allocate WaterFix Yield in proportion to the Member Units’ Table “1” amounts. A Member Unit may participate in WaterFix up to its maximum share as allocated based upon the current Table “1”. In the event a Member Unit elects to participate in less than its proportionate share, the unsubscribed balance shall be offered for allocation among the participating Member Units in proportion to their respective Table “1” amounts. A Member Unit electing to participate in less than its proportionate share must adopt a resolution finding that its unsubscribed WaterFix Yield is surplus to its needs.

The Kern County Water Agency shall allocate costs of the WaterFix in proportion to the Member Units’ 2027 contract percentages. A Member Unit may participate in WaterFix up to its maximum share as allocated based upon the 2027 contract percentages. In the event a Member Unit elects to participate in more than its proportionate share of Waterfix Yield, such Member Unit shall be charged the costs attributable to that additional WaterFix Yield.

**4. Determination of Yield**

The California Department of Water Resources will operate the California WaterFix as an integrated part of the SWP. The Kern County Water Agency and other SWP Contractors shall

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develop a procedure to determine WaterFix Yield based on analyses of long-term SWP operations with and without the California WaterFix.

### **5. Annual sale/assignment of WaterFix Yield**

A Member Unit may sell or assign all or a portion of its allocated share of WaterFix Yield subject to the following:

- a. Assignments or sales may be negotiated between Member Units and the terms and conditions of the assignment or sale, including price, shall be as agreed upon by the buyer and seller.
- b. Additional considerations may be required to address zones of benefit issues as determined by the Kern County Water Agency.

### **6. Permanent & Multi-year sale/assignment of WaterFix Yield**

A Member Unit may sell or assign all or a portion of its allocated share of WaterFix Yield subject to the following:

- a. Multi-year assignments or sales are for a maximum term of up to ten (10) years.
- b. The selling Member Unit must adopt a resolution finding that the water proposed for assignment or sale is surplus to its needs for the period of the proposed assignment or sale and the assignment or sale shall not cause the Member Unit to increase reliance upon groundwater within the Member Unit's boundaries beyond that which was in place at the time of the Member Unit's Participation in California WaterFix (no worse than original/ base condition) and must provide annual reports to the Kern County Water Agency documenting groundwater use within its boundaries. This requirement may be modified or waived under certain conditions as determined by the Kern County Water Agency.
- c. Assignments or sales may be negotiated between Member Units and the terms and conditions of the assignment or sale, including price, shall be as agreed upon by the buyer and seller.
- d. In the event the Member Unit is unable to negotiate an assignment or sale with another Member Unit, the Member Unit may then negotiate with other entities within the State Water Project service area of the Kern County Water Agency and the terms and conditions of the assignment or sale, including price, shall be as agreed upon by the buyer and seller.
- e. In the event the Member Unit is unable to negotiate an assignment or sale with other entities within the State Water Project service area of the Kern County Water Agency, the Member Unit may then negotiate with other State Water Contractors and the terms and conditions of the assignment or sale, including price, shall be as agreed

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upon by the buyer and seller. However, such assignment or sale shall be subject to a first right of refusal by other Member Units and/or entities within the SWP service area of the Kern County Water Agency.

- f. Additional considerations may be required to address zones of benefit issues as determined by the Kern County Water Agency.